

# BancFirst®

1939 North Harrison  
Post Office Box 1608  
Shawnee, Oklahoma 74802-1608  
Telephone (405) 273-1000  
FAX (405) 273-7305  
July 13, 1999

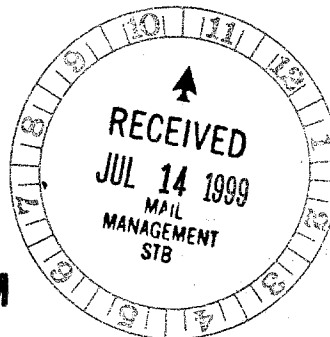
Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street NW  
Washington, D.C. 20423

RECORDATION NO.

FILED

JUL 14 '99

10-45AM



Re: BancFirst/Harrison Gypsum Co.

Dear Secretary:

I have enclosed an original and one copy/counterpart of the document described below to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Security Agreement and Financing Statement, a primary document, dated July 13, 1999. The names and addresses of the parties to the documents are as follows:

Debtor: Harrison Gypsum Co.  
Box 69  
Lindsay, Oklahoma 73052-0069

Secured Party: BancFirst  
1939 N. Harrison  
P. O. Box 1608  
Shawnee, OK 74802-1608

A description of the equipment covered by the document is attached hereto as Exhibit "A" and made a part hereof. A fee of \$26.00 is enclosed. Please return the original and any extra copies not needed by the Board for recordation to Marion McMillan, BancFirst, 1939 N. Harrison, P. O. Box 1608, Shawnee, Oklahoma 74802-1608. A short summary of the document to appear in the index follows:

"Security Agreement and Financing Statement dated July 13, 1999 by and between Harrison Gypsum Co., Box 69, Lindsay, Oklahoma 73052-0069 and BancFirst, 1939 N. Harrison, P. O. Box 1608, Shawnee, Oklahoma 74802-1608 and covering 30 railroad cars, more particularly described in an attachment to the Security Agreement."

Very truly yours,

Marion McMillan  
President  
BancFirst-Shawnee

MM/pw

RAILROAD CARS

<u>OLD NUMBER</u>	<u>BLT DATE</u>	<u>NEW NUMBER</u>	<u>AAR CAR TYPE</u>
CNW 170803	12/67	HGPX 1	C113
MKTT710965	08/66	HGPX 2	C113
MP710685	07/66	HGPX 3	C113
MP710721	07/66	HGPX 4	C113
MP710825	08/66	HGPX 5	C113
MP715277	05/67	HGPX 6	C313
MP710997	08/66	HGPX 7	C113
MP711212	04/71	HGPX 8	C113
MP711298	04/71	HGPX 9	C113
MP712327	07/71	HGPX 10	C313
MP715790	09/67	HGPX 11	C113
MP715984	08/67	HGPX 12	C113
UP021712	01/66	HGPX 13	C313
UP021783	01/66	HGPX 14	C313
UP076079	01/66	HGPX 15	C113
UP081488	06/67	HGPX 16	C113
UP082032	08/70	HGPX 17	C113

CNW 170043	JANUARY	1964	HGPX 20	C113
CNW 170188	FEBRUARY	1967	HGPX 21	C113
CNW 170203	FEBRUARY	1967	HGPX 22	C113
CNW 170215	FEBRUARY	1967	HGPX 23	C113
CNW 170261	FEBRUARY	1967	HGPX 24	C113
CNW 170330	FEBRUARY	1967	HGPX 25	C113
CNW 170677	FEBRUARY	1964	HGPX 26	C113
CNW 170750	DECEMBER	1964	HGPX 27	C113
CNW 170760	DECEMBER	1967	HGPX 28	C113
MP 710944	AUGUST	1966	HGPX 29	C113
MP 711292	APRIL	1971	HGPX 18	C113
MP 712027	JUNE	1971	HGPX 19	C113
UP 22822	NOVEMBER	1967	HGPX 30	C313

HARRISON GYPSUM CO.

BY: 

DATED: 7-13-79

JUL 14 '99

10-45AM

SECURITY AGREEMENT AND FINANCING STATEMENT

THIS SECURITY AGREEMENT AND FINANCING STATEMENT is made effective the 13 day of July, 1999, by HARRISON GYPSUM CO., an Oklahoma corporation (the "Debtor"), for the benefit of BANCFIRST (hereinafter referred to as the "Secured Party").

FOR VALUABLE CONSIDERATION, the receipt and adequacy of which are hereby acknowledged, Debtor hereby covenants and agrees with Secured Party as follows:

1. Recitations. Of even date herewith, the Debtor has entered into a certain " Loan Agreement" with the Secured Party (the "Credit Agreement"), and has made, executed and delivered to the Secured Party its written promissory notes (collectively, the "Note") in the stated aggregate principal amount of \$6,640,000.00. This Agreement is intended to provide collateral security for the repayment of all of the Debtor's obligations now or hereafter owing to the Secured Party, including the indebtedness represented by the Note.

2. Definitions. Unless otherwise defined herein, or the context hereof otherwise requires, each term defined in the Uniform Commercial Code as enacted by the State of Oklahoma (the "UCC") is used in this agreement with the same meaning; provided that if any definition given a term in Chapter 9 of the UCC conflicts with the definition given that term in any other chapter of the UCC, the Chapter 9 definition shall prevail. As used herein the following terms shall have the meanings defined below:

TERM

MEANING

Collateral:	The property subject to a security interest in favor of the Secured Party as set forth in Section 3 hereof.
Default:	As set forth in Section 7 hereof.
Default Rate:	The rate of interest permitted to be charged by the Secured Party on the unpaid principal balance of the Note upon the occurrence or existence of an "Event of Default" (as that term is defined in the Credit Agreement).
Equipment:	All of Borrower's present and hereafter acquired machinery, molds, machine tools, motors, furniture, equipment, furnishings, trade fixtures, motor vehicles, tools, parts, dyes, jigs, goods, vehicles, rolling stock and other tangible personal property (other than Inventory) of every kind and description used in Borrower's operations or owned by Borrower and any

interest in the foregoing, including, without limitation, the Equipment set forth on Exhibit "A" attached hereto, and all attachments, accessories, accessions, replacements, substitutions, additions, or improvements to any of the foregoing, wherever located, and excluding all leased property and property subject to purchase money security interests of other creditors.

**Indebtedness:**

All present and future indebtedness, obligations and liabilities, and all renewals and extensions thereof, now or hereafter owed to Secured Party by the Debtor arising from or pursuant to any of the Loan Documents, or otherwise, and all present and future amendments thereto and restatements thereof, together with all interest accruing thereon and costs, expenses, and reasonable attorney's fees incurred in the enforcement thereof or collection of amounts due thereunder, whether such indebtedness, obligations and liabilities are direct, indirect, fixed, contingent, liquidated, unliquidated, joint, several, or joint and several, or were, prior to acquisition thereof, owed to some other person or entity, and whether evidenced by note, draft, acceptance, overdraft, letter of credit or otherwise, including the indebtedness represented by the Note.

**Laws:**

All statutes, laws, ordinances, regulations, orders, writs, injunctions or decrees of the United States or of any state, commonwealth, nation, territory, possession, county, parish, municipality or Tribunal.

**Liens:**

Any lien, mortgage, security interest, charge or encumbrance of any kind, including, without limitation, the right of a vendor, lessor, or similar party under any conditional sales agreement or other title retention agreement or lease substantially equivalent thereto, any production payment, and any other right of, or arrangement with, any creditor to have his claim satisfied out of any property or assets, or the Proceeds therefrom, prior to the general creditors of the owner thereof, excluding purchase money security interests of other creditors and Permitted Encumbrances (as defined in the Loan Agreement).

Loan Documents:

The term "Loan Documents" means this Agreement, the Credit Agreement, all promissory notes, security agreements, deeds of trust, mortgages, guaranties, and other agreements, documents and instruments, delivered in connection herewith or therewith, together with any other documents evidencing, assuring, or securing all or any part of the Indebtedness and all amendments to, and renewals and extensions of, any of the foregoing.

Material Adverse Effect:

The term "Material Adverse Effect" means any set of circumstances or events which (i) will or could reasonably be expected to have any adverse effect whatsoever upon the validity, performance, or enforceability of any Loan Documents, (ii) is or could reasonably be expected to be material and adverse to the financial condition or business operations of Debtor, as represented to the Secured Party in the Debtor's current financial statements, or to the prospects of Debtor, (iii) will or could reasonably be expected to impair Debtor's ability to fulfill its obligations under the terms and conditions of the Loan Documents, or (iv) will or could reasonably be expected to cause a Default.

Note:

Collectively, those certain Promissory Notes made payable by Debtor in favor of the Secured Party in the respective amounts not to exceed \$5,000,000.00, \$640,000.00, and \$1,000,000.00, together with any and all renewals, extensions, modifications and restatements thereof.

Person:

The term "Person" means any individual, firm, corporation, association, partnership, joint venture, Tribunal or other entity.

Proceeds:

The term "Proceeds" means whatever is received upon the sale, exchange, collection or other disposition of Collateral or Proceeds. An instrument payable by reason of loss or damage to Collateral is Proceeds, except to the extent that it is payable to a person other than a party to this security agreement. Money, checks, deposit accounts and the like are "Cash Proceeds." All other Proceeds are "Non-cash Proceeds."

Rights:

The term "Rights" means rights, remedies, powers and privileges.

Security Interest: The term "Security Interest" means the Security Interest granted and the pledge and assignment made under Section 4 hereof.

Taxes: The term "Taxes" means all taxes, assessments, fees, levies, imposts, duties, deductions, withholdings, or other charges of any nature whatsoever from time to time or at any time imposed by any Law or Tribunal.

Tribunal: The term "Tribunal" means any court or governmental departments, commission, board, bureau, agency or instrumentality of the United States or any state, commonwealth, nation, territory, possession, county, parish or municipality, whether now or hereafter constituted and/or existing.

3. Collateral. As used herein, the term "Collateral" shall mean the following property of the Debtor, whether now owned or hereafter acquired:

- 3.1 All Equipment (as defined herein), contract rights (except for rights of Debtor under any railroad lease agreement to which Debtor is a party), General Intangibles [as such term is used in the Oklahoma Uniform Commercial Code ("UCC")], Inventory (as defined in the UCC), Accounts (as such term is used in the UCC), now owned or hereafter acquired by the Debtor;
- 3.2 all present and future increases, profits, combinations, reclassifications, improvements, and products of, accessions, attachments, and other additions to, and substitutes and replacements for, all or any part of the Collateral heretofore described;
- 3.3 all present and future cash and noncash Proceeds, and other Rights arising from or by virtue of, or from the voluntary or involuntary sale or other disposition of, or collections with respect to, or insurance Proceeds payable with respect to, or Proceeds payable by virtue of warranty or other claims against manufacturers of, or claims against any other Persons with respect to, all or any part of the Collateral; provided, however, that Debtor may retain insurance proceeds if there exists and is continuing no Default; and
- 3.4 all present and future security for the payment to Debtor of any of the Collateral heretofore described and goods which gave or will give rise to any of such Collateral or are evidenced, identified or represented therein or thereby.

The description of Collateral contained herein shall not be deemed to permit any action prohibited by this Agreement or by terms incorporated in this Agreement.

4. Security Interest. In order to secure the full and complete payment and performance of the Indebtedness when due, Debtor hereby grants to Secured Party a first and prior Security Interest in the Collateral, subject to Permitted Encumbrances, and pledges and assigns the Collateral to Secured Party, all upon and subject to the terms and conditions of this Agreement. Such Security Interest is granted and pledge and assignment are made as security only and shall not subject Secured Party to, or transfer or in any way affect or modify, any obligation of Debtor with respect to any of the Collateral or any transaction involving or giving rise thereto.

5. Representations and Warranties. Debtor represents and warrants to Secured Party that Debtor's principal place of business is located one mile east of Lindsay, Oklahoma *OK* on Highway 14, the present and foreseeable location of Debtor's books and records concerning any of the Collateral and where Debtor is entitled to receive notices hereunder, and all such books, records and Collateral are in Debtor's possession; and (ii) Debtor owns all presently existing Collateral, and will acquire all hereafter-acquired Collateral, free and clear of all Liens.

The delivery at any time by Debtor to Secured Party of Collateral or of additional specific descriptions of certain Collateral shall constitute a representation and warranty by Debtor to Secured Party hereunder that the representations and warranties of this Section 5 are true and correct with respect to each item of such additional Collateral and each items of Collateral described in such additional descriptions.

6. Certain Covenants. Until the Indebtedness is paid and performed in full, unless Debtor receives a prior written notification from Secured Party that Secured Party does not object to a deviation, Debtor covenants and agrees with Secured Party that Debtor will:

- 6.1 Allow Secured Party to inspect any of the properties of Debtor and to discuss any of the affairs, conditions and finances of Debtor with Debtor or any employee of Debtor, from time to time during reasonable business hours.
- 6.3 Maintain, at the place where Debtor is entitled to receive notices under the Loan Documents, a current record of where all Collateral is located, permit representatives of Secured Party at any time during normal business hours to inspect and make abstracts from such records, and furnish to Secured Party, at such intervals as Secured Party may reasonably request, such Documents, lists, descriptions, certificates, and other information as may be necessary or proper to keep Secured Party informed with respect to the identity, location, status, condition and value of the Collateral.

- 6.4 Promptly notify Secured Party of any change in any fact or circumstances represented or warranted by Debtor in any of the Loan Documents with respect to any of the Collateral, the Indebtedness or otherwise.
- 6.5 Except for Proceeds of Collateral in the normal course of Debtor's business and so long as no Event of Default has occurred and is continuing, hold in trust for Secured Party all Collateral that is Proceeds at any time received by Debtor and promptly deliver same to Secured Party unless Secured Party at its option (which may be evidenced only by a writing signed by Secured Party stating that Secured Party elects to permit Debtor to so retain) permits Debtor to retain same.
- 6.6 At Debtor's expense and Secured Party's request, before or after a Default, file or cause to be filed such applications and take such other actions as Secured Party may request to obtain the consent or approval of any Tribunal to Secured Party's Rights hereunder, including, without limitation, the Right to sell all the Collateral upon a Default without additional consent or approval from such Tribunal (and, because Debtor agrees that Secured Party's remedies at law for failure of Debtor to comply with this provision would be inadequate and that such failure would not be adequately compensable in damages, Debtor agrees that its covenants in this provision may be specifically enforced).
- 6.7 From time to time promptly execute and deliver to Secured Party all such other assignments, certificates, supplemental documents, and financing statements, and do all other acts or things as Secured Party may reasonably request in order to more fully create, evidence, perfect, continue, and preserve the first priority and perfection of the Security Interest.
- 6.8 Not use any of the Collateral, or permit the same to be used, for any unlawful purpose or in any manner inconsistent with the provisions or requirements of any policy of insurance thereon.
- 6.9 Not relocate Debtor's principal place of business or place where Debtor's books and records are kept, or otherwise relocate any of the other Collateral to a state other than as indicated above unless prior thereto Debtor (i) gives Secured Party thirty (30) days prior written notice of such proposed relocation (such notice to include, without limitation, the name of the county, parish and state into which such relocation is to be made); and (ii) (unless the relocation is to a jurisdiction in which existing financing statements or other required filings have previously been made to perfect the Security Interest in such Collateral) execute and deliver all such additional documents and performs all additional acts as Secured Party in its sole discretion may request in order to continue or maintain the existence and priority of the Security Interest in such Collateral.



7. Default. As used herein "Default" means the occurrence of a "Default" or an "Event of Default" as such terms are defined in the Credit Agreement or any of the Loan Documents.

8. Default; Remedies; Application of Proceeds. Should a Default occur and be continuing, Secured Party may do any one or more of the following:

- 8.1 Declare the entire unpaid balance of the Indebtedness, or any part thereof, immediately due and payable, whereupon it shall be due and payable;
- 8.2 Reduce any claim to judgment;
- 8.3 Exercise the Rights of offset and/or banker's lien against the interest of Debtor in and to every account, deposit account, and other property of Debtor which are in the possession of Secured Party to the extent of the full amount of the Indebtedness owed to Secured Party;
- 8.4 Foreclose any of all Liens held by Secured Party and/or otherwise realize upon any and all of the Rights Secured Party may have in and to the Collateral, or any part thereof; and
- 8.5 Exercise any and all other legal or equitable Rights afforded by the Loan Documents, the UCC, the Laws of the State of Oklahoma, or any other jurisdiction as Secured Party shall deem appropriate, or otherwise, including, but not limited to (i) the Right to bring suit or other proceedings before any Tribunal either for specific performance of any covenant or condition contained in any of the Loan Documents or in aid of the exercise of any covenant or condition contained in any of the Loan Documents or in aid of the exercise of any Right granted to Secured Party in any of the Loan Documents; (ii) the Right to require Debtor to assemble all or part of the Collateral and make it available to Secured Party at a place to be designated by Secured Party which is reasonably convenient to Debtor and Secured Party; (iii) the right to surrender any policies of insurance on all or part of the Collateral and to receive and to apply the unearned Indebtedness; (iv) the Right to apply by appropriate judicial proceedings for appointment of a receiver for all or part of the Collateral (and Debtor hereby consents to any such appointment); and (v) the Right to apply to the Indebtedness any cash held by Secured Party under this Agreement.

9. Notice. Reasonable notification of the time and place of any public sale of the Collateral, or reasonable notification of the time after which any private sale or other intended disposition of the Collateral is to be made, shall be sent to Debtor and to any other Person entitled to notice under the UCC; provided that if any of the Collateral threatens to decline speedily in value or is of the type customarily sold on a recognized market, Secured Party may sell or otherwise dispose of the

Collateral without notification, advertisement, or other notice of any kind. It is agreed that notice sent or given not less than ten (10) calendar days prior to the taking of the action to which the notice relates is reasonable notification and notice for the purposes of this Section.

10. Application of Proceeds. Secured Party shall apply the Proceeds of any sale or other disposition of the Collateral in the following order: (i) First, to the payment of all its expenses incurred in retaking, holding and preparing any of the Collateral for sale(s) or other disposition, in arranging for such sale(s) or other disposition, and in actually selling or disposing of the same (all of which are part of the Indebtedness); (ii) Second, toward repayment of amounts expended by Secured Party hereunder; and (iii) Third, toward payment of the balance of the Indebtedness in such order and manner as Secured Party may direct. If the Proceeds are insufficient to pay the Indebtedness in full, Debtor shall remain liable for any deficiency.

11. Other Rights of Secured Party.

11.1 Collateral Protection. In the event Debtor shall fail to pay when due all Taxes on any of the Collateral, or to preserve the priority and perfection of the Security Interest in any of the Collateral, or to keep the Collateral insured as required by the Credit Agreement, or otherwise fail to perform any of its obligations under the Loan Documents with respect to the Collateral, then Secured Party may, at its option, but without being required to do so, pay such Taxes, prosecute or defend any suits in relation to the Collateral, and/or insure and keep insured the Collateral for a reasonable amount deemed appropriate by Secured Party, and/or take all other action which Debtor is required, but have failed or refused, to take under the Loan Documents. Any sum which may be expended or paid by Secured Party under this sub-section (including, without limitation, court costs and reasonable attorney's fees) shall bear interest from the dates of expenditure or payment at a rate per annum equal to the Default Rate until fully paid, and together with such interest, shall be payable by Debtor to Secured Party upon demand and shall be part of the Indebtedness.

11.2 Use and Operation of Collateral. Should any Collateral come into the possession of Secured Party, Secured Party may use or operate such Collateral for the purpose of preserving it or its value pursuant to the order of a court of appropriate jurisdiction or in accordance with any other Rights held by Secured Party in respect of such Collateral. Debtor covenants to promptly reimburse and pay to Secured Party, at Secured Party's request, the amount of all reasonable expenses (including, without limitation, the cost of any insurance and payment of taxes or other charges) incurred by Secured Party in connection with its custody and preservation of Collateral, and all such expenses, costs, taxes, and other charges shall bear interest until repaid at a rate per annum equal to the Default Rate, and together with such interest, shall be payable by Debtor to Secured Party upon demand and shall become part of the Indebtedness. However, the risk of accidental loss or damage, to, or diminution of

value of, Collateral is on Debtor, and Secured Party shall have no liability whatever for failure to obtain or maintain insurance, nor to determine whether any insurance ever in force is adequate as to amount or as to the risks insured. With respect to Collateral that is in the possession of Secured Party, Secured Party shall have no duty to fix or preserve Rights against prior parties to such Collateral and shall never be liable for any failure to use diligence to collect any amount payable in respect of such Collateral, but shall be liable only to account to Debtor for what it may actually collect or receive thereon. The provisions of this sub-section shall be applicable whether or not a Default has occurred and is continuing.

- 11.3 Purchase Money Collateral. To the extent that Secured Party has advanced or will advance funds to or for the account of Debtor to enable Debtor to purchase or otherwise acquire rights in Collateral, Secured Party, at its option, may pay such funds (i) directly to the Person from whom Debtor will make such purchase or acquire such Rights, or (ii) to Debtor, in which case Debtor covenants to promptly pay the same to such Person, and forthwith furnish to Secured Party evidence satisfactory to Secured Party that such payment has been made from the funds so provided by Secured Party for such payment.
- 11.4 Subrogation. If any of the Indebtedness is given in renewal or extension or applied toward the payment of indebtedness secured by any Lien, Secured Party shall be, and is hereby, subrogated to all of the Rights, titles, interests, and Liens securing the indebtedness so renewed, extended or paid.
- 11.5 Cumulative Rights; Waivers. The acceptance by Secured Party of part payment on the Indebtedness and/or any delay by Secured Party in exercising any Right available to it shall not be deemed to be a waiver of any Default then existing, and no waiver by Secured Party of any Default shall be deemed to be a waiver of any other then-existing or subsequent Default. All Rights available to Secured Party under the Loan Documents shall be cumulative of, and in addition to, all other Rights granted to Secured Party at law or in equity, whether or not the Indebtedness be due and payable and whether or not Secured Party has instituted any suit for collection or other action in connection with the Loan Documents, any sums spent by Secured Party pursuant to the exercise of any Right provided herein shall become part of the Indebtedness and shall bear interest at a rate per annum equal to the Default Rate.

## 12. Miscellaneous.

- 12.1 Headings. The headings, captions and arrangements used herein are, unless specified otherwise, for convenience only and shall not be deemed to limit, amplify or modify the terms of the Loan Documents, nor affect the meaning thereof.

- 12.2 Communications. Unless specifically otherwise provided, whenever any Loan Document requires or permits any consent, approval, notice, request or demand from one party to another, such communication must be in writing to be effective and must be given in accordance with the provisions of the Loan Agreement.
- 12.3 Form and Number of Documents. Each agreement, document, instrument or other writing to be furnished to Secured Party under any provision of this Agreement must be in form and substance and in such manner of counterparts as may be satisfactory to Secured Party and its counsel.
- 12.4 Exceptions to Covenants. Debtor shall not be deemed to be permitted to take any action or fail to take any action which is permitted as an exception to any of the covenants contained in any of the Loan Documents if such action or omission would result in the breach of any other covenant contained in any of the Loan Documents.
- 12.5 Survival. All covenants, agreements, undertakings, representations and warranties made in any of the Loan Documents shall survive all closings under the Loan Documents and, except as otherwise indicated, shall not be affected by any investigation made by any party.
- 12.6 Governing Law. The Loan Documents are being executed and delivered, and are intended to be performed, in Oklahoma County, State of Oklahoma, and the Laws of such state and of the United States of America shall govern the Rights and duties of the parties hereto and the validity, construction, enforcement and interpretation of the Loan Documents, except to the extent otherwise specified in any of the Loan Documents.
- 12.7 Invalid Provisions. If any provision of any of the Loan Documents is held to be illegal, invalid or unenforceable under present or future Laws effective during the term thereof, such provision shall be fully severable; the Loan shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part thereof; and the remaining provisions thereof shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance therefrom. Furthermore, in lieu of such illegal, invalid or unenforceable provision there shall be added automatically as a part of such Loan Document a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.
- 12.8 Term. Upon full and final payment and performance of the Indebtedness, this Agreement shall thereafter terminate upon receipt by Secured Party of Debtor's written notice of such termination; provided that no obligor, if any, on any of the

Collateral shall ever be obligated to make inquiry as to the termination of this Agreement, but shall be fully protected in making payment directly to Secured Party.

- 12.9 Actions Not Releases. The Security Interest and Debtor's obligations and Secured Party's Rights hereunder shall not be released, diminished, impaired or adversely affected by the occurrence of any one or more of the following events: (i) the taking or accepting of any other security or assurance for any of all of the Indebtedness; (ii) any release, surrender, exchange, subordination or loss of any security or assurance at any time existing in connection with any or all of the Indebtedness; (iii) the modification of, amendment to, or waiver of compliance with any terms of any of the other Loan Documents without the notification or consent of Debtor, except as required therein (the right to such notification and/or consent being herein specifically waived by Debtor); (iv) the insolvency, bankruptcy or lack of corporate or trust power of any party at any time liable for the payment of any or all of the Indebtedness, whether now existing or hereafter occurring; (v) any renewal, extension and/or rearrangement of the payment of any or all of the Indebtedness, either with or without notice to or consent of Debtor, or any adjustment, indulgence, forbearance or compromise that may be granted or given by Secured Party to Debtor; (vi) any neglect, delay, omission, failure or refusal of Secured Party to take or prosecute any action in connection with any other agreement, document, guaranty or instrument evidencing, securing or assuring the payment of all or any of the Indebtedness; (vii) any failure of Secured Party to notify Debtor of any renewal, extension or assignment of the Indebtedness or any part thereof, or the release of any security, or of any other action taken or refrained from being taken by Secured Party against Debtor or any new agreement between Secured Party and Debtor, it being understood that Secured Party shall not be required to give Debtor any notice of any kind under circumstances whatsoever with respect to or in connection with the Indebtedness, including, without limitation, notice of acceptance of this Agreement and/or any Collateral ever delivered to or for the Accounts of Secured Party hereunder; (viii) the illegality, invalidity or unenforceability of all of any part of the Indebtedness against any party obligated with respect thereto by reason of the fact that the Indebtedness, and/or the interest paid or payable with respect thereto, exceeds the amount permitted by Law, the act of creating the Indebtedness, or any part thereof, is ultra vires, or the officers, partners or trustees creating same acted in excess of their authority, or for any other reason; and (ix) if any payment by any party obligated with respect thereto is held to constitute a preference under applicable Laws or for any other reason Secured Party is required to refund such payment or pay the amount thereof to someone else.
- 12.10 Financing Statements. Debtor shall execute financing statements in such form and number of counterparts as Secured Party may from time to time request; provided that in the event Debtor shall fail or refuse to execute any such financing statement,

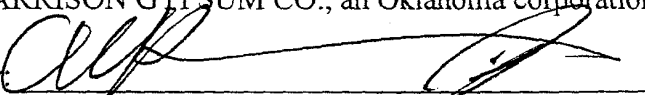
Secured Party shall be entitled to file this Agreement or a carbon, photographic or other reproduction of this Agreement, as a financing statement; but the failure of Secured Party to file this Agreement or any such financing statement shall not affect the validity and enforceability of this Agreement.

- 12.11 Waivers. Except to the extent expressly otherwise provided herein or in other Loan Documents, Debtor waives (i) any right to require Secured Party to proceed against any other Person, to exhaust its Rights in Collateral, or to pursue any other Right which Secured Party may have; (ii) with respect to the Indebtedness, presentment and demand for payment, protest, notice of protest and nonpayment, and notice of the intention to accelerate; and (iii) all Rights of marshaling in respect of any and all of the Collateral.
- 12.12 Amendments. This instrument may be amended only by an instrument in writing executed jointly by Debtor and Secured Party, and supplemented only by documents delivered or to be delivered in accordance with the express terms hereof.
- 12.13 Multiple Counterparts. This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes and all of which constitute, collectively, one agreement; but, in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.
- 12.14 Parties Bound; Assignment. This Agreement shall be binding on Debtor and Debtor's successors and assigns, and shall inure to the benefit of Secured Party and its successors and assigns. Debtor may not, without the prior written consent of Secured Party, assign any Rights, duties or obligations hereunder. In the event of an assignment of all or part of the Indebtedness, the Security Interest and other Rights and benefits hereunder, to the extent applicable to the part of the Indebtedness so assigned, may be transferred therewith.

EXECUTED as of the day and year first herein set forth.

"Debtor":

HARRISON GYPSUM CO., an Oklahoma corporation

By: 

Charles W. Harrison, Jr., President

"Secured Party":

BANCFIRST

By: Marion McMillan

Name: Marion McMillan

Title: President

ACKNOWLEDGMENT

STATE OF OKLAHOMA )

) ss:

COUNTY OF OKLAHOMA )

The foregoing instrument was acknowledged before me this 13<sup>th</sup> day of July, 1999,  
by Charles W. Harrison, Jr., President of HARRISON GYPSUM CO., an Oklahoma corporation.

[Signature]  
Notary Public

My Commission Expires:

March 8, 2000

(SEAL)

HARRISON GYPSUM CO.  
CYRIL PLANT ASSETS

Description	Model Year	Serial Number
Screen (TYROCK)	May-82	20927
Motor Grader	Jun-82	361610
Baxter Portable 42 X 50 Crusher	May-82	7127
Hopper	Apr-84	
Backhoe (John Deere)	Apr-88	9250A
Hiram Hammer	Feb-89	
769 Cat Truck Cost-Traded Even-Parts	1975	Fairview 995-5586
4030 Portable Triple Crusher Pioneer	Sep-92	4030-P-RT-989
New shaker - 8'x20' Hewitt Robbins	1992	SNC706238-01
Toledo Model scale	May-93	
Baker York Forklift	Jan-93	226665
235 Cat Trackhoe (1982) Excavator	1990	SAF01152
#270 769B Caterpillar End Dump Truck	1974	99F4695
#220 769B	1973	99F3789
#220 769B	1975	99F5086
#250 768B (Parts)	1972	79566 Parts
Auto Crane for 92 PU	Dec-93	
Hoist 5 ton bridge crane - Anchor	Mar-93	
Conveyor - Shop Built - 48"x50'	1982	
Conveyor - Shop Built - 36"x104'	1982	
Conveyor - Shop Built - 30"x64'	1977	
Conveyor - Shop Built - 30"x100'	1982	
Conveyor - Shop Built - 30"x100'	1982	
Conveyor - Shop Built - 30"x32'	1977	
Conveyor - Shop Built - 30"x65'	Mar-93	
Conveyor - Shop Built - 30"x100'	1982	
Conveyor - Shop Built - 36"x22'	Mar-93	
Conveyor - Shop Built - 24"x60'	Mar-93	
Conveyor - Shop Built - 24"x70'	1962	
Conveyor - Shop Built - 30"x35'	Mar-93	
Conveyor - Shop Built - 24"x130'	Mar-93	
Conveyor - Shop Built - 24"x130'	Mar-93	
Conveyor - Shop Built - 30"x50'	1980	
Conveyor - Shop Built - 24"x20'	1972	
Conveyor - Shop Built - 24"x20'	1972	
Conveyor - Shop Built - 30"x68'	Mar-93	
Hopper - Shop Built - 100 Ton	1982	
Conveyor - Shop Built - 24"x45'	1962	
Conveyor - Shop Built - 30"x50'	1996	
Hopper 20x20x45 Shop Built	Mar-93	
Hopper 20x20x45 Shop Built	Mar-93	
Air Compressor-O'Brien Ingersoll/Rand	1993	30T719416
8x20 3 Deck Screen - Hewitt Robbins	1994	L70623801E
Cat D6 Dozer	1980	4X5573
Cat 500kw Gen Eng (Power for Plant)	Jan-96	81Z05720
Excel 30"x40' Radial Stacker	1996	
Excel 30"x40' Radial Stacker	1996	

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## CYRIL PLANT ASSETS CONTINUED:

Description	Model Year	Serial Number
1962 Universal 7030 Dbl. Roll Crusher (Portable)	1962	805X97
Backhoe - Caterpillar for Crusher	1983	874811
20' - 2 axle trailer (for backhoe)	1998	Shopbuilt
Volvo L-180	1996	L180CV60334
Enclid R-40 Pit Truck Quarry Dump Truck	1996	402TAC75506
920 Cat Loader	1978	62K9301
ReRun Hopper & Conveyor		Shop Made
1989 D10N Dozer Caterpillar	1989	2YD00916
1989 988B Rubber Tire Loader Caterpillar	1989	50W9935
1995 988F Caterpillar Wheel Loader	1995	8YG1354
Cat 769D Dump Truck	1996	STR00255
Cat 769D Dump Truck	1996	STR00256
Seco 5-36 3x6	Jan-81	Belongs to All
Kenworth Water Truck	1978	260236K
Trailer Tank (500 Gal. Elec. Pump) Oct-94		CA10215
1989 Ford F150 PU	1989	
Fuel Tank	Dec-92	
Diesel Pumps, Nozzles	Feb-93	
Allied 780CX Hyd. Hammer	May-93	
Lippman Jaw Crusher Excel Unit	Jan-96	540613
Electrical Trailer (include w/Primary)	Mar-93	
Dry Storage	Mar-93	
Water Pump 6" Gorman Rupp/DD Pwr	Sep-96	
Portec Portable Screening Plant	1993	SN66
500 Gallon Fuel Tank (2 axle)	1998	Shop Made

## MISCELLANEOUS:

Jack	Mar-79
Lab Equipment	May-82
Lab Equipment	Jun-82
Lab Equipment	Aug-82
Lab Cabinets	Oct-87
Laser Printer	Jan-91
Computer	Aug-91
Cyril Table, Chairs, Cabinets	Feb-93
Cyril Blinds, Desk, Chair, File	Feb-93
Fences, Backwall & Tin horns	Mar-93
Grease Rack	Mar-93
Scale House	Mar-93
Storage Building	Mar-93
Shop & Breakroom	Mar-93
Office	Mar-93
Floors & Walls for Fuel Tanks	Jun-97

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## FLETCHER MINE ASSETS

Description	Model Year	Serial Number
<b>PRIMARY:</b>		
Kue Ken Jaw Crusher 120X	1993	120X12989R
Simplicity Feeder		3814-0FA5B-4684
50'x36" Belt under Crusher		
50'x30" Belt off 36" Belt		
320'x24" Tunnel Conveyor		
75'x24" Conveyor to North Shaker		
<b>SECONDARY:</b>		
4'x10' Cedar Rapids 2 Deck Screen		
32'x24" Fines Belt		
18"x40" Pennsylvania Single Roll Crusher		
125'x24" Conveyor		
65'x24" Radial Fines Stacker		
<b>SCREENING SEGMENT:</b>		
22'x24" Fines Belt		
27'x24" Rock Belt		
4'x12' Peerless 3 deck screen (with framework)		
125'x24" South radial stacker belt (with walkway/cover)		
2'x5' Reciprocating feeder		
48'x24" South shuttle belt		
48'x24" North shuttle belt		
18'x24" Trans Fed Belt on car loader		
Above with framework and security set-up		
65'x24" East Fines Belt		
140'x24" Fines Belt		
200'x24" Fines Belt		
100'x24" Fines Belt		
65'x24" Fines Belt		
200'x24" Fines Belt		
Control Tower for Rail & Plant		
Electrical Control Room		
Cat 235 Trackhoe	1982	32K03267
John Deere Motor for Water Pump		T040390339312
Pump on J-O (Centrifical)		7845381
50' Rock Storage Hopper		
7 - 100'x24" Portable Conveyors		
Bacyrus Eric Crane (Air over 11yd)		
Kolberg Screening Unit		97-201A-3040-04
Ford 400B Diesel Tractor		CONN60151
Track Feeder		
30'x50' Conveyor		

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## FLETCHER MINES ASSETS CONTINUED:

Description	Model Year	Serial Number
5000 Gal. Diesel Tank		
700 Gal. Gas Tank		
30 Ton Press		
Cut Off Saw		
Grinder		
250 Gal. Diesel Tank		
Teel Water Pump Model # 3P601E 3" Briggs & Stratton		
Rock Masters (attach. for Excavator)		
Lincoln 250D10 Pro Welder		A1188539

## MISCELLANEOUS:

36'x60' Shop  
24'x50' Office & Shop  
10'x14' Metal building (fixed)

HARRISON GYPSUM CO.

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## CEMENT PLANT ASSETS

Description	Model Year	Serial Number
Crusher - Little Jaw	Oct-71	
Cedarapids Jaw Crusher	Dec-71	5733
Conveyor Under Big Jaw 30 x 74	Oct-62	
Peerless Conveyors (2) 30"x60'	Sep-71	
18" Off Shaker Belt - 18"x68'		
30" Off Big Shaker 77' Long Belt		
Screen - Hewitt Robins	1979	VSG-0423-01
Grizzly Feeder Simplicity Vibrating Scales	1980	4417-OFASB-362
Crusher - Butler Roll	Feb-84	
	Feb-85	
1975 Cat 769B 35 Ton Rock Truck (Parts)	1976	99F6239
Feeder Hopper	Dec-90	
Middle Shaker - Allis Chalmers		10728
90' Long Belt 45' Conveyor - 18"		
988B Loader - Caterpillar	Aug-92	50W3233
90 Cat 215DLC Crawler - Trackhoe	Feb-94	
88 Cat 988B Loader	Feb-94	50W08706
261B Fiat Scraper	1986	30600278
40 hp Control Box for Crusher	Aug-94	
769B Pit Truck Cat #230	1974	
Cat Grader 14 #170		35F1238
CultiMylcher Packer Dunham Lehr		
96 Ford F250 #67428 Excise Included	Oct-95	
4030 John Deere Tractor R73	Mar-96	277-5567
Roller Parker Plow	Apr-96	
6" Pump Fletcher		2500059
Welder RA615400 (Used)	May-89	
Allied 715 Hyd. Hammer	Jun-90	
1970 Lincoln Welder	Apr-94	
Fuel Tank-ACG	Jan-94	
Ford Jack Hammer		1173
Shop Air Compressor		185939
Pipe for irrigation	Jun-96	
Pipe for irrigation (1/2 mile+ 8"alum)	Jun-96	
Air Conditioner (old plant office)	Sep-96	
10,000 Gallon Fuel Tank (refurbished)	Jun-97	
Diesel Storage Tank 1,000 Gal.		
Gasoline O H Tank 1,000 Gal.		
Lennox Air-Heat Unit		

## MISCELLANEOUS:

Filing Cabinets	Dec-78
Office Building	Dec-78
Building Shop	Mar-81
Desk, Chair, Cabinet (Plant)	Oct-87
Office Additions (Plant)	Oct-87
Water Well (Farm)	Jul-89
Old Plant Remodel Electrical	Mar-89
Entry Gates	Jun-8

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HARRISON GYPSUM CO.  
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## CEMENT PLANT ASSETS MISCELLANEOUS CONTINUED:

Description	Model Year	Serial Number
40'x20' Concrete Containment	Jul-97	

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HARRISON GYPSUM CO.  
OTHER ASSETS

Description	Model Year	Serial Number
<b>UP Rail Site (41):</b>		
Cummins 30 kw Gen	Jun-96	J880173666
30 Rail Cars		
UP Rail Site building	Feb-97	
Rail - Belt scales	Jan-97	
Rail - Tanks	Jan-97	
Compton Rail Unloading System 40'	Mar-98	CE 40-127-96
88 Ford	1988	7687
Volvo L-180 Loader	1994	L180V50170
60' - 30' stacker		
<b>BNSF Rail Site (42):</b>		
Cat Loader - 966C	1978	76J12131
<del>Rail Loading Facility</del>	<del>Nov-88</del>	
Ford Water Truck 78	Jul-98	5973
<b>Administration (90):</b>		
Xerox 3006 Fax		ONH001527
Partner Plus Phone (VA)		
Partner System Phone		
99 Ford F250 #0569 (Added 829 50 tag)	1999	
<b>Shop (61):</b>		
Shop Tools (Saw #3695, Press #8054,		
Hoist #601113, Hoist #SW100)	1995	
96 Ford F-250 #17026 Excise 688	1996	
78 Ford Boom Truck #AG9396	1978	
1992 Ford PU 0056 F250 40056	1992	
1996 Ford F250 PU 56674	1996	
<b>Corporate (95):</b>		
99 Ford F250 Pickup	1999	9044
98 Ford Expedition	1998	1457
98 Ford Expedition	1998	4768
97 Ford Expedition	1997	1554
96 Ford Explorer #2657 Excise 9921996		2657
96 Golf Cart	1996	
Boat - 97 Hurricane	1997	A797
1999 Ford F250 Pickup	1999	
<b>Internal Trucking (51):</b>		
Great Dane 40' Flatbed Trailer	1992	49344
1995 CH613 Mack	1995	IM2AA13Y3SW08894
1995 CH613 Mack	1995	IM2AA13Y9SW048326
1998 Mack	1998	IM2AA14X4WW094859
1994 R690S Mack	1994	IM2P264 Y6RM01605

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## OTHER ASSETS CONTINUED:

Description	Model Year	Serial Number
Internal Trucking (51) continued:		
1993 RD 688S Mack	1993	2M2P267Y1PC014849
1994 Mack RD690S	1994	1M2P264Y9RM016498
1998 Mack	1998	1M2AA14Y0WW094857
1999 Ranco Trailer	1999	8307
1999 Ranco Trailer	1999	8309
1999 Ranco Trailer	1999	8306
1999 Ranco Trailer	1999	8308
Ranco Trailer	1998	8995
Ranco Trailer	1998	8997
Ranco Trailer	1996	8078
Ranco Trailer	1996	8079
Ranco Trailer	1995	8673
Ranco Trailer	1995	8674
Ranco Trailer	1995	8675
Ranco Trailer	1995	8672
Ranco Trailer	1998	8994
Ranco Trailer	1998	8996
1993 Freightliner	1993	1FVYDCY86PH485794
Fruehauf 78	1985	FRZ712410
1997 Fontaine Tri Lowboy	1997	5555
1980 Hyster Lowboy	1980	
58 Gondol Trailer	1996	3075000
58 Gondol Trailer	1996	3074700
2 - Utility Trailers	1996	37476 & 37477
Miscellaneous Assets:		
966E Cat Loader	1988	99407301(Allied)
20 Ton P & H Omega Crane	1977	44327
2 - New Conveyors		

HARRISON GYPSUM CO.  
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RAILROAD CARS

<u>OLD NUMBER</u>	<u>BLT DATE</u>	<u>NEW NUMBER</u>	<u>AAR CAR TYPE</u>
CNW 170803	12/67	HGPX 1	C113
MKTT710965	08/66	HGPX 2	C113
MP710685	07/66	HGPX 3	C113
MP710721	07/66	HGPX 4	C113
MP710825	08/66	HGPX 5	C113
MP715277	05/67	HGPX 6	C313
MP710997	08/66	HGPX 7	C113
MP711212	04/71	HGPX 8	C113
MP711298	04/71	HGPX 9	C113
MP712327	07/71	HGPX 10	C313
MP715790	09/67	HGPX 11	C113
MP715984	08/67	HGPX 12	C113
UP021712	01/66	HGPX 13	C313
UP021783	01/66	HGPX 14	C313
UP076079	01/66	HGPX 15	C113
UP081488	06/67	HGPX 16	C113
UP082032	08/70	HGPX 17	C113
CNW 170043	JANUARY 1964	HGPX 20	C113
CNW 170188	FEBRUARY 1967	HGPX 21	C113
CNW 170203	FEBRUARY 1967	HGPX 22	C113
CNW 170215	FEBRUARY 1967	HGPX 23	C113
CNW 170261	FEBRUARY 1967	HGPX 24	C113
CNW 170330	FEBRUARY 1967	HGPX 25	C113
CNW 170677	FEBRUARY 1964	HGPX 26	C113
CNW 170750	DECEMBER 1964	HGPX 27	C113
CNW 170760	DECEMBER 1967	HGPX 28	C113
MP 710944	AUGUST 1966	HGPX 29	C113
MP 711292	APRIL 1971	HGPX 18	C113
MP 712027	JUNE 1971	HGPX 19	C113
UP 22822	NOVEMBER 1967	HGPX 30	C313

HARRISON GYPSUM CO.

BY: \_\_\_\_\_

DATED: \_\_\_\_\_

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